



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2005
OF THE CONDITION AND AFFAIRS OF THE

Great Lakes Health Plan, Inc.

NAIC Group Code	0707	0707	NAIC Company Code	95467	Employer's ID Number	38-3204052
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation [] Vision Service Corporation [] Other [] Health Maintenance Organization [X] Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No [X]					
Incorporated/Organized	01/11/1994			Commenced Business	10/11/1994	
Statutory Home Office	17117 W. Nine Mile Rd,			Southfield, MI 48075		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	17117 W. Nine Mile Rd, Suite 1600					
	Southfield, MI 48075			248-559-5656		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Mail Address	17117 W. Nine Mile Rd			Southfield, MI 48075		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	17117 W. Nine Mile Rd, Suite 1600					
	Southfield, MI 48075			248-331-4284		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number)		
Internet Website Address	www.glhp.com					
Statutory Statement Contact	Chris A. Scherer			248-331-4284		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	cscherer@glhp.com			248-533-4640		
	(E-mail Address)			(FAX Number)		
Policyowner Relations Contact	17117 W. Nine Mile Rd, Suite 1600					
	Southfield, MI 48075			248-559-5656		
	(City or Town, State and Zip Code)			(Area Code) (Telephone Number) (Extension)		

OFFICERS

Name	Title	Name	Title
Chris A. Scherer	President	Robert W. Oberrender	Treasurer
Eric Wexler	Secretary		

OTHER OFFICERS

Janice Prewitt	V.P. Health Services	Dawn Koehler	V.P. Government & Public Relations
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DIRECTORS OR TRUSTEES

Deborah Mates Chaskes	Thelma Duggin	Ernest Monfiletto	Adika Nyatiu
William Ralston #	Stephen T. Swift #		

State of
County of
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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Chris A. Scherer President	Eric Wexler Secretary	Dawn Koehler Vice President, Goverment & Public Relations
Subscribed and sworn to before me this		a. Is this an original filing? Yes [X] No []
_____ day of _____,		b. If no,
_____		1. State the amendment number _____
		2. Date filed _____
		3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	.0		.0	1,000,000
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	.0		.0	.0
2.2 Common stocks .....	.0		.0	.0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			.0	.0
3.2 Other than first liens .....			.0	.0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			.0	.0
4.2 Properties held for the production of income (less \$ encumbrances) .....			.0	.0
4.3 Properties held for sale (less \$ encumbrances) .....			.0	.0
5. Cash (\$ (4,374,322) , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$51,264,100 , Schedule DA).....	46,889,778		46,889,778	64,661,106
6. Contract loans, (including \$premium notes)			.0	.0
7. Other invested assets (Schedule BA) .....	.0	.0	.0	.0
8. Receivables for securities .....			.0	.0
9. Aggregate write-ins for invested assets .....	.0	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9)	46,889,778	.0	46,889,778	65,661,106
11. Title plants less \$charged off (for Title Insurers only) .....			.0	
12. Investment income due and accrued	3,248		3,248	95,307
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	.0		.0	.0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			.0	.0
13.3 Accrued retrospective premium.....			.0	.0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....			.0	79,261
14.2 Funds held by or deposited with reinsured companies .....			.0	.0
14.3 Other amounts receivable under reinsurance contracts .....			.0	.0
15. Amounts receivable relating to uninsured plans .....			.0	.0
16.1 Current federal and foreign income tax recoverable and interest thereon	3,424,825	1,287,668	2,137,157	.0
16.2 Net deferred tax asset.....	3,027,534	2,620,538	406,996	1,975,504
17. Guaranty funds receivable or on deposit .....			.0	.0
18. Electronic data processing equipment and software	16,368		16,368	154,751
19. Furniture and equipment, including health care delivery assets (\$)	565,650	424,237	141,413	314,678
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			.0	.0
21. Receivables from parent, subsidiaries and affiliates .....			.0	.0
22. Health care (\$2,926,044) and other amounts receivable.....	2,926,044	100,525	2,825,519	7,157,746
23. Aggregate write-ins for other than invested assets	6,342,869	6,342,869	.0	.0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	63,196,316	10,775,837	52,420,479	75,438,353
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	.0
26. Total (Lines 24 and 25)	63,196,316	10,775,837	52,420,479	75,438,353
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.0	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Intangible Asset.....	5,728,867	5,728,867	.0	.0
2302. Deposits and Other.....	45,002	45,002	.0	.0
2303. JV Receivable.....	569,000	569,000	.0	.0
2398. Summary of remaining write-ins for Line 23 from overflow page .....	.0	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	6,342,869	6,342,869	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	19,120,844		19,120,844	20,766,800
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	400,000		400,000	400,000
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	664,882		664,882	1,363,622
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittance and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	36,629		36,629	12,879,462
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured accident and health plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	20,222,355	0	20,222,355	35,409,883
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		0
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	31,763,489	31,763,489
27. Surplus notes	XXX	XXX	0	14,000,000
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	434,635	(5,735,019)
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX		0
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	32,198,124	40,028,470
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	52,420,479	75,438,353
DETAILS OF WRITE-INS				
2101.			0	0
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,296,040	1,205,712
2. Net premium income (including \$0 non-health premium income).....	XXX	250,794,373	210,332,974
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	(15,053,141)	(12,334,908)
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	235,741,232	197,998,066
Hospital and Medical:			
9. Hospital/medical benefits		144,030,232	120,100,744
10. Other professional services		8,810,695	5,404,004
11. Outside referrals			0
12. Emergency room and out-of-area		13,613,082	10,710,316
13. Prescription drugs		32,494,879	28,630,433
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		0	0
16. Subtotal (Lines 9 to 15)	0	198,948,888	164,845,497
Less:			
17. Net reinsurance recoveries		587,716	410,798
18. Total hospital and medical (Lines 16 minus 17)	0	198,361,172	164,434,699
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$3,600,858 cost containment expenses.....		5,036,990	3,861,152
21. General administrative expenses.....		25,691,235	21,672,651
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	229,089,397	189,968,501
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	6,651,835	8,029,565
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,614,639	554,733
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,614,639	554,733
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	8,266,474	8,584,299
31. Federal and foreign income taxes incurred	XXX	2,489,394	2,364,000
32. Net income (loss) (Lines 30 minus 31)	XXX	5,777,080	6,220,299
DETAILS OF WRITE-INS			
0601. QAAP tax.....	XXX	(15,053,141)	(12,334,908)
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	(15,053,141)	(12,334,908)
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior-reporting period	40,028,468	6,098,516
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
34. Net income or (loss) from Line 32	5,777,080	6,220,299
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	(431,258)	(339,788)
39. Change in nonadmitted assets	(46,948)	12,222,696
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	(14,000,000)	3,175,000
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	12,651,745
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	870,782	0
48. Net change in capital & surplus (Lines 34 to 47)	(7,830,344)	33,929,952
49. Capital and surplus end of reporting period (Line 33 plus 48)	32,198,124	40,028,468
DETAILS OF WRITE-INS		
4701. Prior Year Audit Adjustements.....	870,782	0
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	870,782	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	254,788,593	210,594,590
2. Net investment income	1,706,698	489,068
3. Miscellaneous income	(15,053,141)	(12,334,908)
4. Total (Lines 1 to 3)	241,442,150	198,748,751
5. Benefits and loss related payments	199,927,866	167,855,264
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	27,715,064	24,435,832
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	6,598,495	2,395,382
10. Total (Lines 5 through 9)	234,241,425	194,686,478
11. Net cash from operations (Line 4 minus Line 10)	7,200,724	4,062,272
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	0
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	(14,000,000)	3,175,000
16.2 Capital and paid in surplus, less treasury stock	0	12,311,957
16.3 Borrowed funds	0	(195,097)
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(10,972,051)	25,322,566
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(24,972,051)	40,614,426
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(17,771,326)	44,676,698
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	64,661,106	19,984,408
19.2 End of period (Line 18 plus Line 19.1).....	46,889,780	64,661,106

ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Great Lakes Health Plan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-term Care	Other Health	Other Non-Health
1. Net premium income	250,794,373	.0	.0	.0	.0	.0	.0	250,794,373	.0	.0	.0	.0	.0
2. Change in unearned premium reserves and reserve for rate credit .....	.0												
3. Fee-for-service (net of \$ medical expenses) .....	.0												XXX
4. Risk revenue.....	.0												XXX
5. Aggregate write-ins for other health care related revenues	(15,053,141)	.0	.0	.0	.0	.0	.0	(15,053,141)	.0	.0	.0	.0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
7. Total revenues (Lines 1 to 6).....	235,741,232	.0	.0	.0	.0	.0	.0	235,741,232	.0	.0	.0	.0	.0
8. Hospital/medical/ benefits	144,030,232							144,030,232					XXX
9. Other professional services	8,810,695							8,810,695					XXX
10. Outside referrals .....	.0												XXX
11. Emergency room and out-of-area	13,613,082							13,613,082					XXX
12. Prescription Drugs	32,494,879							32,494,879					XXX
13. Aggregate write-ins for other hospital and medical.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	.0												XXX
15. Subtotal (Lines 8 to 14)	198,948,888	.0	.0	.0	.0	.0	.0	198,948,888	.0	.0	.0	.0	XXX
16. Net reinsurance recoveries	587,716							587,716					XXX
17. Total medical and hospital (Lines 15 minus 16)	198,361,172	.0	.0	.0	.0	.0	.0	198,361,172	.0	.0	.0	.0	XXX
18. Non-health claims (net) .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
19. Claims adjustment expenses including \$ 3,600,858 cost containment expenses.....	5,036,990							5,036,990					
20. General administrative expenses	25,691,235							25,691,235					
21. Increase in reserves for accident and health contracts .....	.0												XXX
22. Increase in reserves for life contracts.....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	229,089,397	.0	.0	.0	.0	.0	.0	229,089,397	.0	.0	.0	.0	.0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	6,651,835	0	0	0	0	0	0	6,651,835	0	0	0	0	0
DETAILS OF WRITE-INS													
0501. QAAP tax.....	(15,053,141)							(15,053,141)					XXX
0502.													XXX
0503.													XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	(15,053,141)	0	0	0	0	0	0	(15,053,141)	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.													XXX
1302.													XXX
1303.													XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....				.0
2. Medicare Supplement .....				.0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....	251,900,255		1,105,882	250,794,373
8. Stop Loss .....				.0
9. Disability Income .....				.0
10. Long-term care .....				.0
11. Other health.....				.0
12. Health subtotal (Lines 1 through 11)	251,900,255	0	1,105,882	250,794,373
13. Life .....				.0
14. Property/Casualty.....				.0
15. Totals (Lines 12 to 14)	251,900,255	0	1,105,882	250,794,373

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2005 OF THE Great Lakes Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non- Health
1. Payments during the year:													
1.1 Direct	200,594,844							200,594,844					
1.2 Reinsurance assumed	0							0					
1.3 Reinsurance ceded	587,716							587,716					
1.4 Net	200,007,128	0	0	0	0	0	0	200,007,128	0	0	0	0	0
2. Paid medical incentive pools and bonuses	0												
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	19,120,844	0	0	0	0	0	0	19,120,844	0	0	0	0	0
3.3 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net	19,120,844	0	0	0	0	0	0	19,120,844	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct	0												
4.2 Reinsurance assumed	0												
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0												
6. Net healthcare receivables (a)	0												
7. Amounts recoverable from reinsurers December 31, current year	0												
8. Claim liability December 31, prior year from Part 2A:													
8.1 Direct	20,766,800	0	0	0	0	0	0	20,766,800	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
8.4 Net	20,766,800	0	0	0	0	0	0	20,766,800	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:													
9.1 Direct	0	0	0	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:													
12.1 Direct	198,948,888	0	0	0	0	0	0	198,948,888	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	587,716	0	0	0	0	0	0	587,716	0	0	0	0	0
12.4 Net	198,361,172	0	0	0	0	0	0	198,361,172	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:													
1.1. Direct	2,641,579							2,641,579					
1.2. Reinsurance assumed	0												
1.3. Reinsurance ceded	0												
1.4. Net	2,641,579	0	0	0	0	0	0	2,641,579	0	0	0	0	0
2. Incurred but Unreported:													
2.1. Direct	16,479,265							16,479,265					
2.2. Reinsurance assumed	0												
2.3. Reinsurance ceded	0												
2.4. Net	16,479,265	0	0	0	0	0	0	16,479,265	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:													
3.1. Direct	0												
3.2. Reinsurance assumed	0												
3.3. Reinsurance ceded	0												
3.4. Net	0	0	0	0	0	0	0	0	0	0	0	0	0
4. TOTALS:													
4.1. Direct	19,120,844	0	0	0	0	0	0	19,120,844	0	0	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4. Net	19,120,844	0	0	0	0	0	0	19,120,844	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan Premiums					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid.....	15,661,956	184,345,172	206,786	18,914,059	15,868,742	20,766,800
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	15,661,956	184,345,172	206,786	18,914,059	15,868,742	20,766,800
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9 - 10 + 11 + 12)	15,661,956	184,345,172	206,786	18,914,059	15,868,742	20,766,800

(a) Excludes \$loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior	134,553	134,943	134,793	134,807	134,807
2. 2001.....	68,873	89,008	89,360	89,322	89,322
3. 2002.....	XXX	86,378	101,404	101,359	101,359
4. 2003.....	XXX	XXX	115,437	132,431	132,419
5. 2004.....	XXX	XXX	XXX	99,089	114,763
6. 2005.....	XXX	XXX	XXX	XXX	184,345

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior	135,101	134,946	134,793	134,807	134,807
2. 2001.....	85,217	89,003	89,360	89,322	89,322
3. 2002.....	XXX	104,823	101,618	101,359	101,359
4. 2003.....	XXX	XXX	117,342	132,431	132,378
5. 2004.....	XXX	XXX	XXX	119,815	114,970
6. 2005.....	XXX	XXX	XXX	XXX	203,259

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2001.....	143,699	89,322		0.0	89,322	62.2			89,322	62.2
2. 2002.....	163,223	101,359		0.0	101,359	62.1			101,359	62.1
3. 2003.....	179,727	132,419		0.0	132,419	73.7			132,419	73.7
4. 2004.....	197,998	114,763		0.0	114,763	58.0	207		114,970	58.1
5. 2005.....	235,741	184,345	3,861	2.1	188,206	79.8	18,914	400	207,520	88.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior	134,553	134,943	134,793	134,807	134,807
2. 2001.....	68,873	89,008	89,360	89,322	89,322
3. 2002.....	XXX	86,378	101,404	101,359	101,359
4. 2003.....	XXX	XXX	115,437	132,431	132,419
5. 2004.....	XXX	XXX	XXX	99,089	114,763
6. 2005.....	XXX	XXX	XXX	XXX	184,345

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2001	2 2002	3 2003	4 2004	5 2005
1. Prior	135,101	134,946	134,793	134,807	134,807
2. 2001.....	85,217	89,003	89,360	89,322	89,322
3. 2002.....	XXX	104,823	101,618	101,359	101,359
4. 2003.....	XXX	XXX	117,342	132,431	132,378
5. 2004.....	XXX	XXX	XXX	119,815	114,970
6. 2005.....	XXX	XXX	XXX	XXX	203,259

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2001.....	143,699	89,322	0	0.0	89,322	62.2	0	0	89,322	62.2
2. 2002.....	163,223	101,359	0	0.0	101,359	62.1	0	0	101,359	62.1
3. 2003.....	179,727	132,419	0	0.0	132,419	73.7	0	0	132,419	73.7
4. 2004.....	197,998	114,763	0	0.0	114,763	58.0	207	0	114,970	58.1
5. 2005.....	235,741	184,345	3,861	2.1	188,206	79.8	18,914	400	207,520	88.0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
POLICY RESERVE												
1. Unearned premium reserves .....	.0											
2. Additional policy reserves (a) .....	.0											
3. Reserve for future contingent benefits .....	.0											
4. Reserve for rate credits or experience rating refunds (including \$ for investment income) .....	.0											
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (Gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0											
8. Totals (Net) (Page 3, Line 4)	0	0			0	0	0	0	0	0	0	0
CLAIM RESERVE												
9. Present value of amounts not yet due on claims .....	.0											
10. Reserve for future contingent benefits .....	.0											
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (Gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0											
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS												
0501.												
0502.												
0503.												
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. TOTALS (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0
1101.												
1102.												
1103.												
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. TOTALS (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administration Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building).....	132,911	94,936	485,676		713,523
2. Salaries, wages and other benefits.....	2,603,148	1,067,773	8,473,834		12,144,755
3. Commissions (less \$ceded plus \$ Assumed.....					0
4. Legal fees and expenses.....			15,676		15,676
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	490,174		1,421,241		1,911,415
7. Traveling expenses.....	16,227	12	155,393		171,632
8. Marketing and advertising.....	25,816		618,777		644,593
9. Postage, express and telephone.....	2,357		562,488		564,845
10. Printing and office supplies.....	43,328	173,118	321,206		537,652
11. Occupancy, depreciation and amortization.....	10,272	20,535	1,642,452		1,673,259
12. Equipment.....	1,468	176	1,937,922		1,939,566
13. Cost or depreciation of EDP equipment and software.....			801,106		801,106
14. Outsourced services including EDP, claims, and other services.....			1,659,787		1,659,787
15. Boards, bureaus and association fees.....	7,031		23,967		30,998
16. Insurance, except on real estate.....			119,230		119,230
17. Collection and bank service charges.....			21,733		21,733
18. Group service and administration fees.....			6,404,131		6,404,131
19. Reimbursements by uninsured accident and health plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....			36,309		36,309
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			(63,505)		(63,505)
23.2 State premium taxes.....	72,565				72,565
23.3 Regulatory authority licenses and fees.....			420,695		420,695
23.4 Payroll taxes.....	195,636	79,582	633,442		908,660
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....	(75)		(325)	30	(370)
25. Aggregate write-ins for expenses.....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	3,600,858	1,436,132	25,691,235	30	30,728,255
27. Less expenses unpaid December 31, current year.....		400,000	664,882		1,064,882
28. Add expenses unpaid December 31, prior year.....	0	400,000	1,363,622	0	1,763,622
29. Amounts receivable relating to uninsured accident and health plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured accident and health plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,600,858	1,436,132	26,389,975	30	31,426,995
DETAIL OF WRITE-INS					
2501.					
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	0	0

(a) Includes management fees of \$to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....	.....
1.1	Bonds exempt from U.S. tax	(a) .....	.....
1.2	Other bonds (unaffiliated)	(a) .....	.....
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) 1,614,669	1,614,669
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	1,614,669	1,614,669
11.	Investment expenses		(g) 30
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total (Lines 11 through 15)		30
17.	Net Investment Income - (Line 10 minus Line 16)		1,614,639
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0
1501.	.....		.....
1502.	.....		.....
1503.	.....		.....
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

(a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
(c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
(e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
(f) Includes \$ accrual of discount less \$ amortization of premium.
(g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$ interest on surplus notes and \$ interest on capital notes.
(i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1.	U.S. Government bonds				0
1.1	Bonds exempt from U.S. tax				0
1.2	Other bonds (unaffiliated)				0
1.3	Bonds of affiliates	0		0	0
2.1	Preferred stocks (unaffiliated)				0
2.11	Preferred stocks of affiliates	0		0	0
2.2	Common stocks (unaffiliated)				0
2.21	Common stocks of affiliates	0	0	0	0
3.	Mortgage loans				0
4.	Real estate				0
5.	Contract loans				0
6.	Cash, cash equivalents and short-term investments				0
7.	Derivative instruments				0
8.	Other invested assets				0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0
10.	Total capital gains (losses)	0	0	0	0
DETAILS OF WRITE-INS					
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash, (Schedule E, Part 1), cash equivalents (Schedule E, Part 2) and short -term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only).....	0		0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premium.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	1,287,668	0	(1,287,668)
16.2 Net deferred tax asset.....	2,620,538	799,012	(1,821,526)
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software.....	0	2,103,814	2,103,814
19. Furniture and equipment, including health care delivery assets.....	424,237	257,464	(166,773)
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable.....	100,525	108,361	7,836
23. Aggregate write-ins for other than invested assets	6,342,869	7,460,238	1,117,369
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	10,775,837	10,728,889	(46,948)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	10,775,837	10,728,889	(46,948)
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0
2301. JV Recievable.....	569,000	569,000	0
2302. Allow for bad debt.....	0	(345,843)	(345,843)
2303. Deposits.....	45,002	0	(45,002)
2398. Summary of remaining write-ins for Line 23 from overflow page	5,728,867	7,237,081	1,508,214
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	6,342,869	7,460,238	1,117,369

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	107,564	108,184	108,278	107,277	108,034	1,296,040
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	107,564	108,184	108,278	107,277	108,034	1,296,040
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Basis of Presentation – The financial statements of Great Lakes Health Plan, Inc. (GLHP or the “Company”) have been prepared in conformity with the accounting practices prescribed or permitted by the Office of Financial and Insurance Services of the State of Michigan Department (OFIS). These statutory practices vary from generally accepted accounting practices (GAAP) in the following material respects:

The effects of reinsurance are netted against the corresponding assets, liabilities, income, or expenses

Certain assets, such as premiums over 90 days past due, goodwill, excess of book value over market value for securities, and prepaid expenses are “nonadmitted” and are charged against surplus. Under statutory accounting practices, goodwill is amortized over its estimated useful life while goodwill is no longer amortized under GAAP

Income taxes are provided for the current liability without adjustment for deferred tax assets or liabilities attributable to differences between amounts reported for financial statement and for tax return purposes

Computer software applications are treated as a nonadmitted asset and charged against surplus

Surplus notes are included in capital and surplus rather than liabilities. No interest on surplus notes has been expensed or accrued for statutory purposes.

Fixed maturity investments are held at amortized costs; while under GAAP, fixed maturity investments which the Company does not have the positive intent and ability to hold to maturity are recorded at fair value.

Effective January 1, 2003, OFIS required that HMO’s domiciled in the State of Michigan prepare their statutory financial statements in accordance with the National Association of Insurance Commissioner’s (NAIC) Accounting Practices and Procedures Manual (NAIC SAP) as modified by OFIS. Accordingly the admitted assets, liabilities, capital and surplus and the results of its operations and its cash flows of the Company have been determined in accordance with the NAIC Manual. The State of Michigan has provided for transitional implementation of certain Statements of Statutory Accounting Principles (SSAP’s) that will impact admitted assets.

	<u>December 31, 2005</u>
Statutory Surplus, Michigan State basis	\$32,198,124
State Prescribed or Permitted Practices:	
Transitional admission of Furniture and Equipment	<u>(141,413)</u>
Statutory Surplus, NAIC SAP	<u>\$32,056,711</u>

The Company, with the permission of OFIS, had reported as an admitted asset a non-contracted hospital per diem receivable from the State of Michigan which was fully collected in 2005.

Cash and Cash Equivalents—For the purpose of the statements of cash flows, cash equivalents represent other short-term investments with original maturities of less than three months.

Property and Equipment—Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated lives of the assets and includes amortization of equipment under capital leases. The estimated useful lives of the assets range from three to ten years for computer equipment and furniture.

Claims Unpaid—Health care costs are accrued in the period services are provided to the enrolled members based in part on estimates, including an accrual for medical services provided but not yet reported. Such estimates are based on historical payment patterns using actuarial techniques and are regularly reviewed and updated. Differences in estimates resulting there from are reflected in current operations.

Premiums—Qualified health plan contracts are entered annually, subject to cancellation by the State of Michigan, Department of Community Health, or the Company upon 90 days written notice on the basis of, and subject to, cause as reflected in the respective contracts. Premiums are due monthly and are recognized as revenue during the period in which the Company is obligated to provide benefits to members.

Statutory Reserves—As a condition of licensure with the State of Michigan, the Company is required to maintain a minimum deposit of \$1,000,000 in a segregated account. These funds can only be used by the Company at the direction of the Commissioner. The deposited amounts are stated at fair value and consist of cash and money market funds.

Provider Reimbursement Arrangements—The Company reimburses its providers based on contractual agreements that vary in accordance with the terms and conditions of each arrangement. The three most common arrangements are: capitated (fixed) rate paid on a per member per month (“PMPM”) basis; fee-for-service; and per-diem rate. The Company’s various providers are generally paid as follows:

- a. Capitated rate:
 - Primary care providers
 - Pharmacy
 - Laboratory fees
 - Transportation

NOTES TO FINANCIAL STATEMENTS

- b. Fee-for-service:
- All physician specialists
 - Primary care providers
 - Other medical disciplines (e.g., dentistry, chiropractor)
 - Ancillary services
- c. Per-diem rate and percent of charges:
- Inpatient hospital and emergency (facility)

Dividends—Dividends paid by a Michigan HMO are subject to limitations imposed by the Michigan Insurance Code (the “Code”). Under the Code, an HMO may pay dividends only from statutory earnings and capital and surplus. In addition, a Michigan HMO may not pay an “extraordinary” dividend to its stockholders without prior approval of OFIS.

Use of Estimates—The preparation of financial statements in conformity with OFIS’ accounting practices and permitted practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosures of contingent assets and liabilities as of the date of the statement of admitted assets, liabilities, and capital and surplus—statutory basis, and revenues and expenses—statutory basis for the period reported on. Actual results could differ from those estimates.

- (1) **Accounting Changes and Corrections of Errors**
No change
- (2) **Business Combinations and Goodwill**
On February 26, 2004, AmeriChoice Corporation purchased all of the outstanding stock of the Company from HealthCor, Inc for approximately \$28 million. AmeriChoice is a subsidiary of the United Health Group Incorporated.
- (3) **Discontinued Operations**
No change
- (4) **Investments**
No change
- (5) **Joint Ventures, Partnerships and Limited Liability Companies**
No change
- (6) **Investment Income**
No change
- (7) **Derivative Investments**
No change
- (8) **Income Taxes**

The Company joins United Healthcare Group and its other eligible domestic subsidiaries in the filing of a consolidated federal income tax return and is party to a federal income tax allocation agreement. Under the tax-sharing agreement, the Company pays to or receives from United Healthcare, via an affiliate, AmeriChoice Health Services, Inc. (“ACHS”), the amount, if any, by which the group’s federal income tax liability was affected by virtue of inclusion of the Company in the consolidated federal return. Effectively, this results in the Company’s annual income tax provision being computed, with adjustments, as if the Company filed a separate return.

The components of current income tax benefit for the years ended December 31, 2005 are as follows:

Federal income tax expense	\$2,489,394
----------------------------	-------------

The provision for federal and foreign income taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference for the years ended December 31, 2005, are as follows:

Provision computed at statutory rate	\$ 2,871,039
Add:	
Temporary differences	406,996
Other	401,808
Less:	
Tax allocation change in estimate	<u>1,190,449</u>
Total statutory income taxes	<u>\$ 2,489,394</u>

The components of the net deferred tax asset (liability) at December 31, 2005 are as follows:

Total deferred tax assets	\$ 3,027,534
Deferred tax assets non admitted	<u>(2,620,538)</u>
Net deferred tax asset admitted	<u>\$ 404,996</u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets are as follows:

Deferred tax assets	
Depreciation	\$ 97,691
Loss reserve discounting	172,334
Other	136,971
Purchase accounting and amortization	<u>2,620,538</u>
	<u>\$ 3,027,534</u>

NOTES TO FINANCIAL STATEMENTS

The change in net deferred income taxes is composed of the following:

	2005	2004	Change
Total deferred tax assets	\$ 3,027,534	\$ 2,774,516	\$ 253,018
Transfer from parent			(684,277)
Change in net deferred income taxes			<u>\$ (431,259)</u>

United Health Group Incorporated 41-1321939

(9) Information Concerning Parent, Subsidiaries and Affiliates

The Company is a wholly owned subsidiary of AmeriChoice Corporation. AmeriChoice Corporation is a majority owned subsidiary of United Health Group Inc. The Company has no subsidiaries. Its affiliates are AmeriChoice Health Services, Inc., Information Network Corporation, AmeriChoice of New York, Inc., and AmeriChoice of Pennsylvania, Inc.

Effective September 31, 2002, AmeriChoice was acquired by UHG. UHG issued 5.3 million shares of their common stock with a fair value of approximately \$480 million in exchange for 93.5% of the outstanding AmeriChoice common stock. UHG also issued vested stock options with a fair value of approximately \$15 million in exchange for outstanding options held by AmeriChoice employees and paid cash of approximately \$82 million. UHG will acquire the remaining minority interest after five years at a value based on a multiple of the earnings of the combined Medicaid business. UHG has the option to acquire the minority interest at an earlier date if specific events occur, such as the termination or resignation of key AmeriChoice employees

Management Assistance Services - The Company’s affiliate, AmeriChoice Health Services, Inc. provides the Company with management assistance services. For the year ended December 31, 2005, the Company incurred total expenses under this agreement of \$28,405,633.

- a. Inter-Co Receivable Balance at December 31, 2005 \$ - 0 -
- b. Inter-Co Payable Balance at December 31, 2005 \$ 36,629
- c. The Company does not hold any investments in its parent or affiliate companies.
- d. Transactions between the Company and its parent and affiliates are not health care delivery related transactions

(10) Debt

No Change

(12) Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No Change

(13) Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

- a. Dividend Restrictions
No Change.
- b. Quasi reorganization
No change
- c. Surplus Notes
On September 25, 2003, the Company received a surplus note in the amount of \$6,325,000 from its parent corporation, HealthCor, Inc. The surplus note carries simple interest at 5% per annum. No interest has been accrued on the surplus notes. Subject to prior approval by OFIS, the note is to be repaid upon the occurrence of a “Change in Control.” “Change of Control” means the occurrence of any of the following including without limitation:(i) a merger, consolidation or sale of stock of GLHP or its affiliates pursuant to which the shareholders of GLHP or its affiliates, as the case may be, immediately prior to such merger or consolidation will hold less than 50% of the voting securities of the surviving entity, or (ii) a sale of all or substantially all of the assets of GLHP or its affiliates. The surplus note has no stated maturity or repayment date

On March 17, 2000, the Company negotiated a claim settlement with two major hospitals in which the terms of the settlement totaled \$8,000,000. In connection with this settlement, the Company paid \$3,500,000 and issued surplus notes in the total amount of \$4,500,000 - \$2,000,000 issued to Detroit Medical Center and \$2,500,000 issued to William Beaumont Hospital. The surplus notes carry simple interest at 5% per annum. No interest on surplus notes has been accrued. The entire principal and interest are payable upon ten days notice by the Hospitals and subject to the OFIS’ approval and the availability of earned surplus, if any of the three conditions occur: (1) the Company pays a dividend to any of its stockholders, (2) the Company redeems more than 50% of the issued and outstanding shares or (3) expiration of six years from the date of surplus notes. The Hospitals have agreed to consider all claims with a date of service prior to October 1, 1999 as fully paid. The financial statements reflect all claims received and adjudicated in 1999 that were part of the settlement.

All surplus notes and accrued interest were paid on February 26, 2004 in conjunction with the purchase of Great Lakes Health Plan by AmeriChoice Corporation.

On May 13, 2004, the company received a Surplus note in the amount of \$14,000,000 from AmeriChoice Corporation. The surplus note carries simple interest at 5% per annum. No interest has been accrued on the surplus note. Subject to prior

NOTES TO FINANCIAL STATEMENTS

approval by OFIS, the interest and principal may be repaid from earned surplus only. The surplus note has no stated maturity or repayment date.

In January 2005, the surplus note was paid back to AmeriChoice Corporation with Interest of \$506,000.

At December 31, 2005, the Company had statutory net worth of \$32,198,124. This was an decrease of \$7,830,346 from the December 31, 2004 level of \$40,028,470.

- (14) **Contingencies**
No change
- (15) **Leases**
No Change
- (16) **Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**
Not Applicable
- (17) **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**
Not Applicable
- (18) **Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans**
Not Applicable
- (19) **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**
Not Applicable
- (20) **September 11 Events**
Not Applicable
- (21) **Other Items**
Not Applicable
- (22) **Events Subsequent**
Not Applicable
- (23) **Reinsurance**
No Change
- (24) **Retrospectively Rated Contracts & Contracts Subject to Redetermination**
Not Applicable
- (25) **Change in Incurred Claims and Claim Adjustment Expense**
Claims Payable decreased by \$1,645,956 from \$20,766,800 at December 31, 2004 to \$19,120,844 at December 31, 2005. The portion related to 2004 and prior is \$206,786. Claims adjustment expense was \$400,000 at December 31, 2005 and December 31, 2004.
- (26) **Inter-company Pooling Arrangements**
Not Applicable
- (27) **Structured Settlements**
Not Applicable
- (28) **Health Care Receivables**
Consist of Medicaid related receivables of \$2,825,519, which are admitted assets and \$100,525 in provider overpayment receivables, which are non-admitted.
- (29) **Participating Policies**
No Change
- (30) **Premium Deficiency Reserves**
Not Applicable
- (31) **Anticipated Salvage and Subrogation**
Not Applicable

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities .....		.0.000		.0.000
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....		.0.000		.0.000
1.22 Issued by U.S. government sponsored agencies .....		.0.000		.0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities) .....		.0.000		.0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....		.0.000		.0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....		.0.000		.0.000
1.43 Revenue and assessment obligations .....		.0.000		.0.000
1.44 Industrial development and similar obligations .....		.0.000		.0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA .....		.0.000		.0.000
1.512 Issued or guaranteed by FNMA and FHLMC .....		.0.000		.0.000
1.513 All other .....		.0.000		.0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....		.0.000		.0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....		.0.000		.0.000
1.523 All other .....		.0.000		.0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....		.0.000		.0.000
2.2 Unaffiliated foreign securities .....		.0.000		.0.000
2.3 Affiliated securities .....		.0.000		.0.000
3. Equity interests:				
3.1 Investments in mutual funds .....		.0.000		.0.000
3.2 Preferred stocks:				
3.21 Affiliated .....		.0.000		.0.000
3.22 Unaffiliated .....		.0.000		.0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....		.0.000		.0.000
3.32 Unaffiliated .....		.0.000		.0.000
3.4 Other equity securities:				
3.41 Affiliated .....		.0.000		.0.000
3.42 Unaffiliated .....		.0.000		.0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....		.0.000		.0.000
3.52 Unaffiliated .....		.0.000		.0.000
4. Mortgage loans:				
4.1 Construction and land development .....		.0.000		.0.000
4.2 Agricultural .....		.0.000		.0.000
4.3 Single family residential properties .....		.0.000		.0.000
4.4 Multifamily residential properties .....		.0.000		.0.000
4.5 Commercial loans .....		.0.000		.0.000
4.6 Mezzanine real estate loans .....		.0.000		.0.000
5. Real estate investments:				
5.1 Property occupied by the company .....		.0.000	.0	.0.000
5.2 Property held for the production of income (including \$of property acquired in satisfaction of debt) .....		.0.000	.0	.0.000
5.3 Property held for sale (including \$ property acquired in satisfaction of debt) .....		.0.000	.0	.0.000
6. Contract loans .....		.0.000	.0	.0.000
7. Receivables for securities .....		.0.000	.0	.0.000
8. Cash, cash equivalents and short-term investments .....	.46,889,778	100.000	.46,889,778	100.000
9. Other invested assets		0.000		0.000
10. Total invested assets	46,889,778	100.000	46,889,778	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒ No ☐
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ NA ☐
- 1.3

State Regulating?

State of Michigan
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:

If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2004
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2001
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/25/2003
- 3.4

By what department or departments? State of Michigan, Office of Financial and Insurance Services
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business?

Yes ☐ No ☒

4.12 renewals?

Yes ☐ No ☒
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business?

Yes ☐ No ☒

4.22 renewals?

Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ☐ No ☒
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒
- 7.2

If yes,

7.21 State the percentage of foreign control;

7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [X] No []
- 8.4

If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
Exante Bank.....	Salt Lake City, Utah.....				Yes.	

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Deloitte and Touche, 600 Renaissance Center, Suite 900, Detroit, Michigan 48242-1895
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?.....

Jennifer E. Linn, FSA, MAAA, Reden & Anders, Ltd. 222 S. Ninth Street, Suite 1500, Minneapolis, MN 55402
- 11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]

11.11

Name of real estate holding company

11.12

Number of parcels involved.....

11.13

Total book/adjusted carrying value.....

\$
- 11.2

If yes, provide explanation
12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1

What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 12.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 12.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] NA []

BOARD OF DIRECTORS

13.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
14.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
15.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or likely to conflict with the official duties of such person?.....

Yes [X] No []

FINANCIAL

- 16.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11

To directors or other officers ..

\$0

16.12

To stockholders not officers ...

\$0

16.13

Trustees, supreme or grand
(Fraternal only)

\$0
- 16.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21

To directors or other officers ...

\$0

16.22

To stockholders not officers

\$0

16.23

Trustees, supreme or grand
(Fraternal only)

\$0
- 17.1

Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement?

Yes [] No [X]
- 17.2

If yes, state the amount thereof at December 31 of the current year:

17.21

Rented from others

\$

17.22

Borrowed from others

\$

17.23

Leased from others

\$

17.24

Other

\$
- 18.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [] No [X]
- 18.2

If answer is yes,

18.21

Amount paid as losses or risk adjustment

\$

18.22

Amount paid as expenses

\$

18.23

Other amounts paid

\$
- 19.1

Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [] No [X]
- 19.2

If yes, indicated any amounts receivable from parent included in the Page 2 amount:.....

\$

GENERAL INTERROGATORIES
INVESTMENT

20.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No []

20.2 If no, give full and complete information relating thereto:

21.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1) Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21

Loaned to others

\$.....

21.22

Subject to repurchase agreements

\$.....

21.23

Subject to reverse repurchase agreements

\$.....

21.24

Subject to dollar repurchase agreements

\$.....

21.25

Subject to reverse dollar repurchase agreements

\$.....

21.26

Pledged as collateral

\$.....

21.27

Placed under option agreements

\$.....

21.28

Letter stock or other securities restricted as to sale ...

\$.....

21.29

Other

\$.....

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....

22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

22.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
If no, attach a description with this statement.

23.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

23.2 If yes, state the amount thereof at December 31 of the current year. \$.....

GENERAL INTERROGATORIES

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 – General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

<div>1</div> <div>Name of Custodian(s)</div>	<div>2</div> <div>Custodian's Address</div>
US Bank and Trust.....	535 Grisswold, Suite 550, Detroit Michigan 48226.....

24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

<div>1</div> <div>Name(s)</div>	<div>2</div> <div>Location(s)</div>	<div>2</div> <div>Complete Explanation(s)</div>
.....
.....

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes [] No [X]

24.04 If yes, give full and complete information relating thereto:

<div>1</div> <div>Old Custodian</div>	<div>2</div> <div>New Custodian</div>	<div>3</div> <div>Date of Change</div>	<div>4</div> <div>Reason</div>
.....

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

<div>1</div> <div>Central Registration Depository Number(s)</div>	<div>2</div> <div>Name</div>	<div>2</div> <div>Address</div>
7144.....	Wellington Management.....	75 State Street, Boston, Mass. 02109.....

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?..... Yes [] No [X]

25.2 If yes, complete the following schedule:

<div>1</div> <div>CUSIP #</div>	<div>2</div> <div>Name of Mutual Fund</div>	<div>3</div> <div>Book/Adjusted Carrying Value</div>
.....
.....
25.2999 TOTAL		0

25.3 For each mutual fund listed in the table above, complete the following schedule:

<div>1</div> <div>Name of Mutual Fund (from above table)</div>	<div>2</div> <div>Name of Significant Holding Of the Mutual Fund</div>	<div>3</div> <div>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding</div>	<div>4</div> <div>Date of Valuation</div>
.....
.....

GENERAL INTERROGATORIES

26. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
26.1 Bonds.....	51,264,100	51,264,100	0
26.2 Preferred stocks.....	0		0
26.3 Totals	51,264,100	51,264,100	0

26.4 Describe the sources or methods utilized in determining fair values:

27.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes [X] No []

27.2 If no, list the exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?.....\$47,092

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Michigan Association of Health Plans.....	47,092

29.1 Amount of payments for legal expenses, if any?.....\$24,218

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Dykema Gossett.....	11,387
Pitt, Dowty, McGehee, Mirer & Palmer.....	6,789

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$

30.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

1.2 If yes, indicate premium earned on U. S. business only

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

1.5 Indicate total incurred claims on all Medicare Supplement Insurance.

1.6 Individual policies:

1.7 Group policies:

2. Health Test:

Most current three years:

1.61 Total premium earned

1.62 Total incurred claims

1.63 Number of covered lives

All years prior to most current three years:

1.64 Total premium earned

1.65 Total incurred claims

1.66 Number of covered lives

Most current three years:

1.71 Total premium earned

1.72 Total incurred claims

1.73 Number of covered lives

All years prior to most current three years:

1.74 Total premium earned

1.75 Total incurred claims

1.76 Number of covered lives

1

Current Year

2.1 Premium Numerator \$

2.2 Premium Denominator \$

2.3 Premium Ratio (2.1/2.2)

2.4 Reserve Numerator \$

2.5 Reserve Denominator \$

2.6 Reserve Ratio (2.4/2.5)

2

Prior Year

.....250,794,373

.....250,794,373

.....1.000

.....19,120,844

.....19,120,844

.....1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

5.1 Does the reporting entity have stop-loss reinsurance?

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical

5.32 Medical Only

5.33 Medicare Supplement

5.34 Dental

5.35 Other Limited Benefit Plan

5.36 Other

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

hold harmless provisions and continuation of service in provider agreements

7.1 Does the reporting entity set up its claim liability for provider services on a service data base?

7.2 If no, give details:

8. Provide the following Information regarding participating providers:

8.1 Number of providers at start of reporting year

8.2 Number of providers at end of reporting year

9.1 Does the reporting entity have business subject to premium rate guarantees?

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

9.22 Business with rate guarantees over 36 months

Yes [] No [X]

Yes [] No [X]

Yes [X] No []

Yes [] No []

Yes [X] No []

.....10,000,000

.....4,711

.....4,641

Yes [] No [X]

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract?

Yes [X] No []

10.2 If yes:

10.21 Maximum amount payable bonuses

\$

10.22 Amount actually paid for year bonuses

\$

10.23 Maximum amount payable withholds

\$35,000

10.24 Amount actually paid for year withholds

\$

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes [] No [X]

11.13 An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14 A Mixed Model (combination of above) ?

Yes [] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [X] No []

11.3 If yes, show the name of the state requiring such net worth.

Michigan

11.4 If yes, show the amount required.

\$15,323,369

11.5 Is this amount included as part of a contingency reserve in stockholders equity?

Yes [] No [X]

11.6 If the amount is calculated, show the calculation.

RBC 200% of ACL

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Arenac County, Mi.....
Berrien County, Mi.....
Calhoun County, Mi.....
Cass County, Mi.....
Hillsdale County, Mi.....
Huron County, Mi.....
Jackson County, Mi.....
Lapeer County, Mi.....
Lenawee County, Mi.....
Oakland County, Mi.....
Maccomb County, Mi.....
Saginaw County, Mi.....
Sanilac County, Mi.....
St. Clair County, Mi.....
Tuscola County, Mi.....
Van Buren County, Mi.....
Wayne County, Mi.....

FIVE-YEAR HISTORICAL DATA

	1 2005	2 2004	3 2003	4 2002	5 2001
BALANCE SHEET (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	52,420,479	75,438,353	31,194,695	8,445,744	26,083,224
2. Total liabilities (Page 3, Line 22)	20,222,355	35,409,883	25,096,178	20,715,764	20,020,217
3. Statutory surplus	434,635	(5,735,019)	(13,055,722)	(23,117,944)	(4,186,993)
4. Total capital and surplus (Page 3, Line 31)	32,198,124	40,028,470	6,098,517	(12,270,020)	6,063,007
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	235,741,232	197,998,066	178,727,686	163,223,524	143,697,068
6. Total medical and hospital expenses (Line 18)	198,361,172	164,434,699	149,754,864	153,637,196	118,760,505
7. Claims adjustment expenses (Line 20)	5,036,990	3,861,152	4,129,000	.0	.0
8. Total administrative expenses (Line 21)	25,691,235	21,672,651	14,340,699	16,837,926	12,509,657
9. Net underwriting gain (loss) (Line 24)	6,651,835	8,029,565	10,503,123	(12,160,527)	5,343,828
10. Net investment gain (loss) (Line 27)	1,614,639	554,733	104,827	177,354	338,534
11. Total other income (Lines 28 plus 29) .....	.0	.0	.0	.0	98,005
12. Net income (loss) (Line 32)	5,777,080	6,220,299	10,414,712	(11,834,531)	5,753,581
RISK - BASED CAPITAL ANALYSIS					
13. Total adjusted capital.....	32,198,124	40,028,470	6,098,517	(12,270,020)	6,038,843
14. Authorized control level risk-based capital.....	7,661,685	6,171,848	5,543,704	6,129,717	3,959,659
ENROLLMENT (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	108,034	107,564	96,299	92,553	82,404
16. Total member months (Column 6, Line 7)	1,296,040	1,205,712	1,153,051	1,068,784	908,785
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical plus other non-health (Lines 18 plus 19)	79.1				
19. Cost containment expenses	1.4	0.0	XXX	XXX	XXX
20. Other claims adjustment expenses	0.6	0.0	0.0	0.0	0.0
21. Total underwriting deductions (Line 23)	91.3	90.3	90.4	107.5	96.3
22. Total underwriting gain (loss) (Line 24)	2.7	3.8	5.6	(7.5)	3.7
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 13, Col. 5)	15,868,742	18,584,500	15,636,768	21,350,165	14,130,701
24. Estimated liability of unpaid claims – [prior year (Line 12, Col. 6)]	20,766,800	20,331,786	18,593,735	16,402,789	16,705,979
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
25. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)	0	0	0	0	0
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)	0	0	0	0	0
27. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)	0	0	0	0	0
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
29. Affiliated mortgage loans on real estate		0	0	0	0
30. All other affiliated		0	0	0	0
31. Total of above Lines 25 to 30	0	0	0	0	0

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year					
Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	0	0	0	0
	2. Canada				
	3. Other Countries				
	4. Totals	0	0	0	0
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
	16. Totals	0	0	0	0
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States		0	0	0
	22. Canada				
	23. Other Countries				
	24. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	0	0	0	0
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	
	40. Total Preferred Stocks	0	0	0	
COMMON STOCKS Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0	
	54. Total Common Stocks	0	0	0	
	55. Total Stocks	0	0	0	
	56. Total Bonds and Stocks	0	0	0	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks			
1. Book/adjusted carrying value of bonds and stocks, prior year.....	2. Amortization of premium.....		
2. Cost of bonds and stocks acquired, Column 7, Part 3	3. Foreign Exchange Adjustment:		
3. Accrual of discount.....	4.1 Column 15, Part 1	0	
4. Increase (decrease) by adjustment:.....	8.2 Column 19, Part 2, Sec. 1.....	0	
4.1 Columns 12 - 14, Part 1.....0	8.3 Column 16, Part 2, Sec. 2	0	
4.2 Columns 15 - 17, Part 2, Sec. 1.....0	8.4 Column 15, Part 4	0	0
4.3 Column 15, Part 2, Sec. 2.....0	9. Book/adjusted carrying value at end of current period		0
4.4 Columns 11 - 13, Part 4	10. Total valuation allowance		
5. Total gain (loss), Col. 19, Part 4	11. Subtotal (Lines 9 plus 10)		0
6. Deduct consideration for bonds and stocks disposed of	12. Total nonadmitted amounts		
Column 7, Part 4	13. Statement value of bonds and stocks, current period		0

Per discussions with the examiners, the restricted state deposit should be shown on schedule E part 3 not on Schedule D

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories								
States, Etc.	1	2	Direct Business Only					
	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	3	4	5	6 Federal Employees Health Benefits Program Premiums	7 Life & Annuity Premiums & Deposit Type Contract Funds	8 Property/Casualty Premiums
			Premiums	Medicare Title XVIII	Medicaid Title XIX			
1. Alabama	AL							
2. Alaska	AK							
3. Arizona	AZ							
4. Arkansas	AR							
5. California	CA							
6. Colorado	CO							
7. Connecticut	CT							
8. Delaware	DE							
9. District of Columbia	DC							
10. Florida	FL							
11. Georgia	GA							
12. Hawaii	HI							
13. Idaho	ID							
14. Illinois	IL							
15. Indiana	IN							
16. Iowa	IA							
17. Kansas	KS							
18. Kentucky	KY							
19. Louisiana	LA							
20. Maine	ME							
21. Maryland	MD							
22. Massachusetts	MA							
23. Michigan	MI	No	Yes		251,900,255			
24. Minnesota	MN							
25. Mississippi	MS							
26. Missouri	MO							
27. Montana	MT							
28. Nebraska	NE							
29. Nevada	NV							
30. New Hampshire	NH							
31. New Jersey	NJ							
32. New Mexico	NM							
33. New York	NY							
34. North Carolina	NC							
35. North Dakota	ND							
36. Ohio	OH							
37. Oklahoma	OK							
38. Oregon	OR							
39. Pennsylvania	PA							
40. Rhode Island	RI							
41. South Carolina	SC							
42. South Dakota	SD							
43. Tennessee	TN							
44. Texas	TX							
45. Utah	UT							
46. Vermont	VT							
47. Virginia	VA							
48. Washington	WA							
49. West Virginia	WV							
50. Wisconsin	WI							
51. Wyoming	WY							
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U.S. Virgin Islands	VI							
56. Canada	CN							
57. Aggregate other alien	OT	XXX	XXX	0	0	0	0	0
58. Subtotal	XXX	XXX	0	0	251,900,255	0	0	0
59. Reporting entity contributions for Employee Benefit Plans	XXX	XXX						
60. Total (Direct Business)	XXX	(a) 1	0	0	251,900,255	0	0	0
DETAILS OF WRITE-INS								
5701.	XXX	XXX						
5702.	XXX	XXX						
5703.	XXX	XXX						
5798. Summary of remaining write-ins for Line 57 from overflow page	XXX	XXX	0	0	0	0	0	0
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)	XXX	XXX	0	0	0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.:
(a) Insert the number of yes responses except for Canada and other Alien.

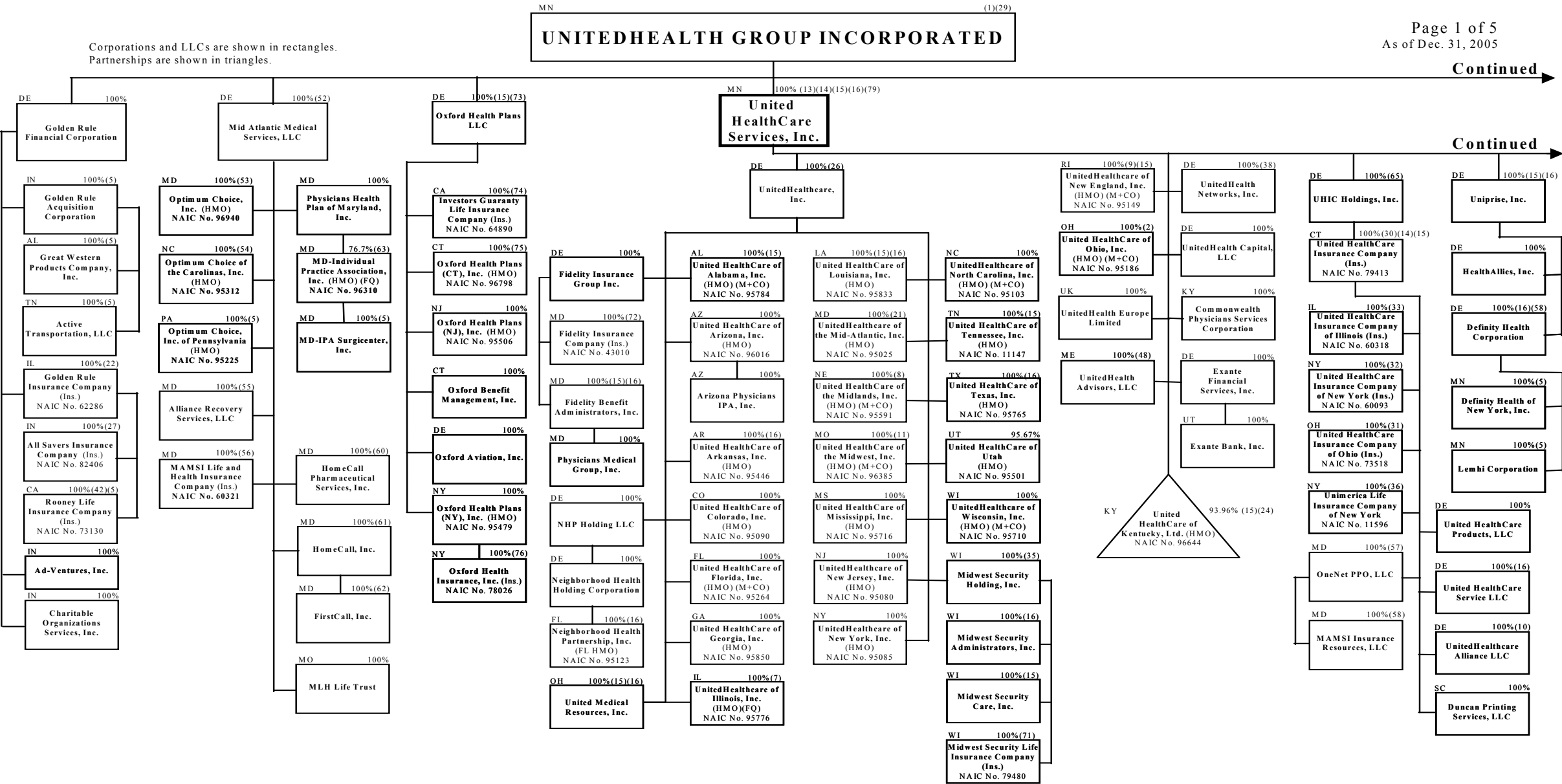
SCHEDULE T – PART 2
INTERSTATE COMPACT PRODUCTS – EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

		Direct Business Only					
		1	2	3	4	5	6
States, Etc.		Life (Group and Individual)	Annuities (Group and Individual)	Disability Income (Group and Individual)	Long-Term Care (Group and Individual)	Deposit-Type Contracts	Totals
1. Alabama	AL						0
2. Alaska	AK						0
3. Arizona	AZ						0
4. Arkansas	AR						0
5. California	CA						0
6. Colorado	CO						0
7. Connecticut	CT						0
8. Delaware	DE						0
9. District of Columbia	DC						0
10. Florida	FL						0
11. Georgia	GA						0
12. Hawaii	HI						0
13. Idaho	ID						0
14. Illinois	IL						0
15. Indiana	IN						0
16. Iowa	IA						0
17. Kansas	KS						0
18. Kentucky	KY						0
19. Louisiana	LA						0
20. Maine	ME						0
21. Maryland	MD						0
22. Massachusetts	MA						0
23. Michigan	MI						0
24. Minnesota	MN						0
25. Mississippi	MS						0
26. Missouri	MO						0
27. Montana	MT						0
28. Nebraska	NE						0
29. Nevada	NV						0
30. New Hampshire	NH						0
31. New Jersey	NJ						0
32. New Mexico	NM						0
33. New York	NY						0
34. North Carolina	NC						0
35. North Dakota	ND						0
36. Ohio	OH						0
37. Oklahoma	OK						0
38. Oregon	OR						0
39. Pennsylvania	PA						0
40. Rhode Island	RI						0
41. South Carolina	SC						0
42. South Dakota	SD						0
43. Tennessee	TN						0
44. Texas	TX						0
45. Utah	UT						0
46. Vermont	VT						0
47. Virginia	VA						0
48. Washington	WA						0
49. West Virginia	WV						0
50. Wisconsin	WI						0
51. Wyoming	WY						0
52. American Samoa	AS						0
53. Guam	GU						0
54. Puerto Rico	PR						0
55. U.S. Virgin Islands	VI						0
56. Canada	CN						0
57. Other Alien	OT						0
58. Totals		0	0	0	0	0	0

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



Continued

Continued

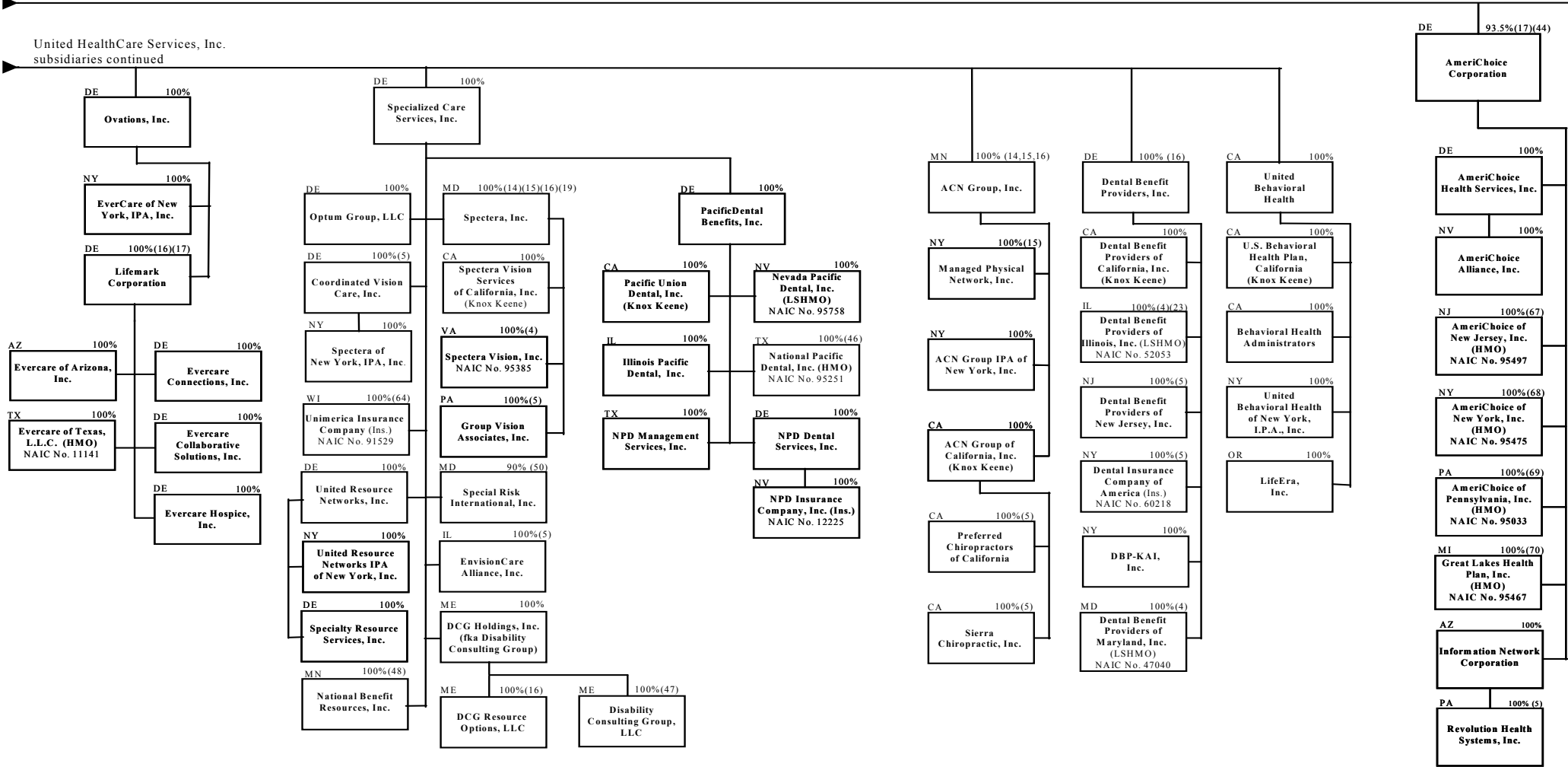
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
subsidiaries continued

Continued

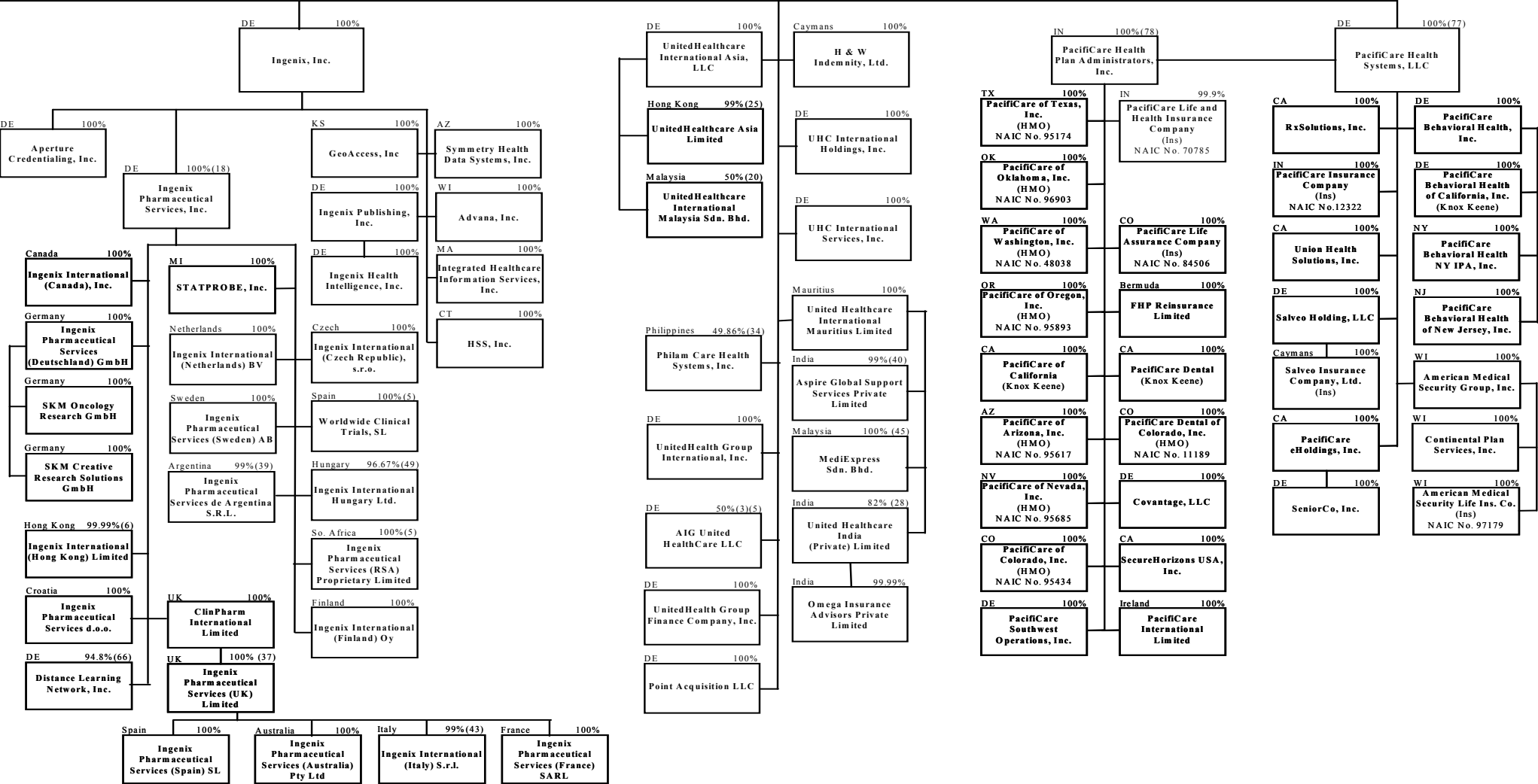
United HealthCare Services, Inc.
subsidiaries continued



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
subsidiaries continued



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

- (1) **UnitedHealth Group Incorporated** (“UHG”) (d/b/a UnitedHealth Group) is a Minnesota corporation whose shares of common stock are listed on the NYSE (i.e., it is publicly held). Name was changed from United HealthCare Corporation on March 6, 2000. It only does business in MN. It is the ultimate parent company of all the other UnitedHealth Group entities. It is not licensed as anything, i.e., it is not an HMO, insurance company, TPA, PPO, etc. It is a holding company. It should not be the party to any contract except for certain limited situations. This is not the entity that (i) manages or directly owns the HMOs (that is, for the most part, United HealthCare Services, Inc. (“UHS”) for management and UHS or UnitedHealthcare, Inc. for ownership), or (ii) offers the ASO, PPO, or other products (that is usually United HealthCare Insurance Company).
- (2) d/b/a: Western Ohio Health Care Corporation; also licensed in Kentucky.
- (3) 50% is held by American International Group, Inc.
- (4) Limited or single service health Plan ("LSHMO"). Spectera Vision, Inc. is licensed as LSHMO in VA and IN.
- (5) This entity will dissolve or merge with another UHG legal entity, subject to any required regulatory approval.
- (6) Ingenix, Inc. owns .01%. Established a representative office in Beijing, China.
- (7) United HealthCare of Illinois, Inc. (DE domicile) merged into UnitedHealthcare (Newco), Inc. (IL domicile) in order to redomesticate to IL and changed its name to UnitedHealthcare of Illinois, Inc. effective 5/31/02. Also licensed in Indiana.
- (8) Licensed in Iowa and Nebraska.
- (9) Licensed in Rhode Island and Massachusetts.
- (10) UnitedHealthcare of Minnesota, Inc. merged into UnitedHealthcare Alliance LLC effective 12/31/02. This LLC holds the intangible assets of UnitedHealthcare and is the employer of its top management.
- (11) Licensed in Missouri, Illinois and Kansas.
- (12) Intentionally left blank.
- (13) **United HealthCare Services, Inc.** (“UHS”) (formerly UHC Management Company, Inc. and before that Charter Med, Inc.) is a Minnesota corporation and wholly owned subsidiary of UnitedHealth Group. It is the technical employing entity (i.e., it files the payroll taxes in the 50 states) for substantially all UnitedHealth Group personnel. It is qualified to do business in all 50 states, the District of Columbia and Puerto Rico. It is not licensed as an HMO or an insurance company but is licensed in numerous states as a TPA or UR agent. It is the management company for almost all the health plans and the insurance companies. It owns most of the assets (i.e., desks, computers etc.) used by all employees. It rents most of the space used by all UnitedHealth Group entities and people. Many of the specialty businesses, i.e., Evercare, URN, Optum, Uniprise, Healthmarc, etc., operate as divisions/dbas of UHS, rather than separate legal entities (though there may be a shell bearing a similar name). UHS is the entity that should be the party to the facilities, supply or other contracts that are for UnitedHealth Group generally. See p. 5 for UHS’ assumed/fictitious names.
- (14) Licensed as a PPO or MCO in one or more states.
- (15) Licensed as a UR Agent in one or more states.
- (16) Licensed as a TPA in one or more states. (Called “independent adjuster” in New York.)
- (17) “AmeriChoice” is being filed as an assumed name for Lifemark Corporation in California, Indiana, and Michigan. See next page for its UHS filings.
- (18) registered either a DBA, TradeName or Trade Mark of “i3 Research”, “i3 Magnifi”, and/or “i3 Drug Safety” in several states
- (19) Also has dba of: Care Programs
- (20) Other 50% is owned by UnitedHealthcare Asia Limited currently, but UnitedHealthcare International Asia, LLC will own 99% and UnitedHealthcare Asia Limited will own 1% after additional shares are issued.
- (21) Also licensed in Virginia and the District of Columbia. United HealthCare of Virginia, Inc. merged into it effective 12/31/01 on approval of VA BOI, MIA, & MD DAT (later filing by VA Corp.Comm.).
- (22) Licensed as a life and health insurance company in AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, GU, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, & WY.
- (23) Licensed as HMO or LSHMO in FL, IN, IL, MO, & VA.
- (24) General partnership interests are held by UHS (89.77%) and its wholly owned subsidiary, Commonwealth Physician Services Corporation (10.23%). UHS also holds 99.5% of the limited partnership interests (198.5 units). Dr. Back, an unaffiliated party, owns 0.5% of the limited partnership interests (1 unit). When combining general partner and limited partner interests, UHS owns 93.96%, Commonwealth Physician Services Corporation owns 5.83% (for a combined 99.78% ownership) and Dr. Back owns 0.22% of the entire partnership. (All numbers are rounded to two decimal points.) Licensed as an HMO in Kentucky and Indiana. Has to use the name United HealthCare of Kentucky, L.P. in Indiana.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

- (25) A Hong Kong “private” limited liability company owned 99% by UnitedHealthcare International Asia, LLC and 1% by UnitedHealthcare International, Inc.
- (26) d/b/a: UnitedHealthcare, Inc., a Corporation of Delaware (obtained for use in Oklahoma).
- (27) Licensed as a life and health insurance company in AK, AR, CO, DE, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, MD, MI, MS, MT, NE, ND, OH, OK, OR, PA, SC, SD, TN, TX, WV, WI & WY.
- (28) 18% owned by Nimish Parekh, a resident of India.
- (29) UHG is the sole member of the United Health Foundation, a MN non-profit organization.
- (30) **United HealthCare Insurance Company** (“UHI”) is a Connecticut domestic life & health insurance company that is licensed as an insurance company in 49 states (not New York), District of Columbia , Puerto Rico, Guam the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands with an application pending in American Samoa. This entity offers a variety of products including EPO, PPO, ASO/self-funded, and indemnity.
- (31) Licensed in Ohio only.
- (32) Licensed in New York and the District of Columbia.
- (33) Licensed in Illinois only. Voluntarily surrendered COA in Florida.
- (34) PhilamCare Health Systems, Inc. is 49.86% owned by PhilamLife and .28% owned by various individuals.
- (35) Formerly known as R.W. Houser, Inc.
- (36) Licensed in NY for life, annuities, and accident & health. Formerly named United HealthCare Life Insurance Company of New York.
- (37) Branches in Republic of South Africa, Croatia, and Germany. Withdrew from Sweden on April 19, 2002, Hungary on Jan. 2, 2001, and the Netherlands on December 31, 2003.
- (38) Assumed names for UnitedHealth Networks, Inc. that must be used in the states listed below: NH (UHN UnitedHealth Networks), TX (UHN UnitedHealth Networks, Inc.), NY (United Networks), OH & OR (UnitedHealth Network, Inc., a Corporation of Delaware)
- (39) Ingenix Pharmaceutical Services (UK) Limited owns 1%.
- (40) UnitedHealthcare International, Inc. owns remaining 1%.
- (41) BMJ Publishing Group Limited owns 50%.
- (42) Licensed as a life and health insurance company in CA & IL.
- (43) One percent owned by ClinPharm International Ltd.
- (44) Around 6.5% of the shares are owned by AmeriChoice management, which United will acquire after five years from Sept. 2002 acquisition, subject to certain acceleration events. AmeriChoice has the following inactive affiliate that will be merged or dissolved as soon as practicable: AmeriChoice Behavioral Healthcare, Inc.
- (45) 49% owned directly and 51% controlled through individual nominee shareholders from whom we have powers of attorney.
- (46) Also licensed as an insurance co. in MD, though HMO in TX domicile
- (47) Licensed as a reinsurance intermediary in some states
- (48) Licensed as a producer in most states.
- (49) 3.33% held by Ingenix, Inc.
- (50) 10% owned by various members of the Koch family
- (51) Intentionally left blank
- (52) Mid Atlantic Medical Services, Inc. merged into Mid Atlantic Medical Services, LLC (formerly MU Acquisition LLC) upon acquisition by UnitedHealth Group, with Mid Atlantic Medical Services, LLC as the survivor. It also has the HomeCall Hospice Services Foundation, Inc. It is the sole member of several real estate LLCs: Hillcrest, LLC; Frederick Associates, LLC; 3 Taft Court Associates, LLC; 3-1/2 Taft Court Associates, LLC; Hillcrest Plaza II, LLC; 1&2 Taft, LLC; and 6 Taft LLC.
- (53) Licensed as an HMO in DC, DE, MD, VA, & WV
- (54) Licensed as an HMO in NC & SC
- (55) Licensed as a Collection Agency in several states
- (56) Licensed as a Life, Accident & Health Insurance Company in AL, AR, AZ, CO, DC, DE, GA, HI, ID, IL, IN, KS, KY, LA, MD, MS, MO, NE, NV, NM, NC, ND, OK, PA, SC, SD, TN, TX, UT, VA, & WV

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- (57) Formerly named Alliance PPO, LLC when it was a subsidiary of MAMSI Life and Health Ins. Co.
- (58) Licensed as a Producer in several states
- (59) Licensed as a Hospice in MD & VA
- (60) Licensed as a Pharmacy in many states
- (61) JCAHCO; Medicare certification; licensed in MD for nursing, home health aides, physical, occupational & speech therapy, medical social work, home health, & laboratory
- (62) JCAHCO, licensed in MD for residential service, agency skilled nursing & aides, and home health services
- (63) 23.3% owned by Mid Atlantic Medical Services, LLC. Licensed as an HMO in DC, MD, & VA
- (64) Licensed as a Life, Accident & Health Insurance Company countrywide, except in NY(Unimerica Life Insurance Company of New York is licensed in NY).
- (65) Former name was Unimerica, Inc.
- (66) 5.2% owned collectively by Eric Porterfield, and Anthony Cepullio
- (67) Licensed as an HMO in NJ
- (68) Licensed as an HMO in NY
- (69) Licensed as an HMO in PA
- (70) Licensed as an HMO in MI
- (71) Licensed as a life, accident & health insurance company in AK, AR, AZ, CO, DE, IA, ID, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, NM, NV, OH, OK, OR, SC, SD, TX, UT, WA, & WI
- (72) Licensed as an accident & health insurance company in DC, MD (health only), & PA
- (73) Survivor of merger with Oxford Health Plans, Inc. Former name was Ruby Acquisition, LLC. NAIC Group Code of regulated subsidiaries was 1182 prior to acquisition. Three non-stock Political Action Committees: Oxford Health Plans, Inc. Committee for Quality Health Care, Inc., Oxford Health Plans, Inc. (CT) Committee for Quality Health Care, Inc., and Oxford Health Plans, Inc. (NY) Committee for Quality Health Care, Inc., all DE corps. Licensed as an insurance agency in NY dba The Oxford Agency.
- (74) Licensed in 47 states and the District of Columbia. Not licensed in CT, NY, or VT.
- (75) Licensed as a Health Care Center (HMO) in CT with a Limited License for less than 5,000 members in RI.
- (76) Licensed as an insurance company in CT, NJ, NY, & PA.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

- (77) Formerly named Point Acquisition, LLC, the survivor of the merger with PacifiCare Health Systems, Inc., which enabled the acquisition of PacifiCare. Also owns 21.1% of Alere Medical Incorporated, a CA corporation, including 16,068,245 shares of non-voting preferred stock and warrants to purchase an additional 1 million shares of non-voting preferred stock.
- (78) Sole member of PacifiCare Health Systems Foundation, a CA nonprofit corporation.
- (79) United HealthCare Services, Inc.'s filed assumed names/dbas include (continuation of footnote 13):
 - AmeriChoice (FL, IL, IN, MD, NE, RI)
 - Center for Health Care Policy and Evaluation (MN)
 - Charter HealthCare, Inc. (NM, RI)
 - Employee Performance Design (IL, KY, MN, NE, OR)
 - EverCare (numerous states)
 - GenCare PPO (IL, MO)
 - Health Professionals Review (ME)
 - HealthCare Evaluation Services (MN)
 - Healthmarc
 - HealthPro (AK, CT, IL, KY, MA, OH)
 - Institute for Human Resources (FL, OR, WA)
 - Managed Care for the Aged (MN)
 - Optum (MN, CA)
 - Personal Decision Services (MN)
 - UHC Management & Administrators (CA)
 - UHC Management (VT)
 - UHC Management Company (AK, MA, NH, UT, WV)
 - UHC Management Company, Inc. (AL, AZ, AR, CA, CO, CT, DE, FL, GA, ID, IL, IN, IA, KY, LA, ME, MD, MA, MI, MN, MO, MT, NE, NJ, ND, OH, OR, PA, RI, SD, TN, TX, VA, WA)
 - UHC of Illinois Inc. (IL)
 - UHC of Missouri and United HealthCare of Missouri (MO)
 - UMC Management Company, Inc. (OH)
 - United HealthCare (MA, UT)
 - United HealthCare Corporation (AZ, AR, CA, CO, CT, DE, FL, GA, ID, IN, IA, KY, LA, ME, MD, MO, MT, NC, ND, NE, NJ, OH, OR, RI, SD, TX, WA)
 - United HealthCare Management (VT)
 - United HealthCare Management Company, Inc. (IL, MI, OK, PA, TN, VA)
 - United HealthCare Management Services (PA, NY)
 - United HealthCare of Illinois, Inc. (IL)
 - United HealthCare Services of Minnesota (NH)
 - United HealthCare Services of Minnesota, Inc. (AR, FL, IL, OK, RI, SD, VT, WV)
 - United Resource Networks (CA, GA, IL, IN, IA, MD, MI, MN, MO, NE, NY, NC, RI, UT)
 - United Resource Networks, Inc. (CO, TN)
 - UnitedHealth Group Incorporated (CA)